

What's New and Other Important Information for 2007

Registered Domestic Partners (RDP)

Effective for taxable years beginning on or after January 1, 2007, RDPs under California law must file their California income tax returns using either the married/RDP filing jointly or married/RDP filing separately filing status. RDPs will have the same legal benefits, protections, and responsibilities as married couples unless otherwise specified.

If you entered into in a same sex legal union in another state, other than a marriage, and that union has been determined to be substantially equivalent to a California registered domestic partnership, effective for taxable years beginning on or after January 1, 2007, you are required to file a California income tax return using either the married/RDP filing jointly or married/RDP filing separately filing status. For more information on what states have legal unions that are considered substantially equivalent, go to our Website at www.ftb.ca.gov and search for **RDP**.

For purposes of California income tax, references to a spouse, a husband, or a wife also refer to a California registered domestic partner (RDP), unless otherwise specified. When we use the initials (RDP) they refer to both a California registered domestic "partner" and a California registered domestic "partnership," as applicable. For more information on RDPs, get FTB Pub. 737, Tax Information for Registered Domestic Partners.

Round Cents to Dollars – Beginning with the 2007 tax forms, round cents to the nearest whole dollar. For example, round \$50.50 up to \$51 or round \$25.49 down to \$25. If you do not round, FTB will disregard the cents. This change helps process your returns quickly and accurately.

ReadyReturn

If you are single and your income is only from wages, you may qualify for ReadyReturn. It simplifies the filing process by pre-filing a tax return with information the state already has. For more information and to see if you qualify, go to our Website at www.ftb.ca.gov and search for **ReadyReturn** or call (800) 338-0505.

My FTB Account

Make tax time less taxing! Check My FTB Account for information about your estimated tax payments, FTB issued 1099-Gs, 1099-INTs, California wage and withholding data and more! Go to our Website at www.ftb.ca.gov and search for **My Account**.

Direct Deposit Refund

For a faster refund you can request a direct deposit refund on your tax return whether you e-file or file a paper return. Please be sure to fill in the routing and account numbers carefully and double-check the numbers for accuracy.

Estimated Tax Payment Penalty

You may not be subject to estimated tax payments if your California withholding is enough during each payment period to total either 90% of your current year tax liability or 100% of your prior year tax liability (110% if your income is \$150,000 or more), **or** you paid enough through withholding to keep the amount you owe with your return under \$200. However, if you did not pay enough through withholding, you may have an underpayment penalty. Get form FTB 5805, Underpayment of Estimated Tax by Individuals and Fiduciaries, for more information.

If you owe an underpayment penalty, you cannot use Form 540 2EZ. Use Form 540A, or Form 540, or file online through CalFile and e-file.

Head of Household Filing Status

Beginning in 2005, for a child to qualify as your foster child for head of household purposes, the child must be placed with you by an authorized placement agency or by order of a court.

If you are unmarried, your unmarried child no longer qualifies you for head of household filing status if he or she is 19 years of age or older, is not a student, and has gross income equal to or greater than the federal exemption amount (\$3,400 in 2007). In addition, if you are unmarried, your unmarried child also no longer qualifies you for the status if he or she is under 19 years of age, or a student under 24, and pays more than half of his or her own support.

Dependent Exemption Credit

If you are unmarried, you are no longer entitled to a dependent exemption credit for your unmarried child who is under 19 years old, or a student under 24, who pays more than half of his or her own support.